



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

March 13, 2019

BY ECF

The Honorable Sidney H. Stein
United States District Judge
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: *United States v. Arash Ketabchi, et al.*, 17 Cr. 243 (SHS)

Dear Judge Stein:

The Government respectfully submits this letter in connection with the sentencing proceeding scheduled to take place on March 27, 2019 for the following defendants: (1) Arash Ketabchi, (2) Andrew Owimrin, (3) Joseph McGowan, (4) Jack Kavner, (5) Christopher Wilson, (6) Shahram Ketabchi, and (7) Raymond Quiles (the "defendants"). Consistent with the Court's order, the Government sets forth below its view as to each defendant's relative culpability and provides the factual basis for its assessment, to be expanded upon in its submission due March 20, 2019.

1. Overview of the Telemarketing Companies and Procedural History

From approximately 2012 until 2018, the defendants worked at and operated various telemarketing sales floors (the "Telemarketing Companies") that engaged in a fraudulent scheme (the "Telemarketing Scheme"), by which they promised to earn victims (the "Victims") money in exchange for particular Victims making an initial cash "investment" in, among other things, so-called business opportunities ("BizOpp"), grant applications ("Grants"), and/or tax preparation services.

Until mid-2015, the defendants primarily worked for two different sales floors: (1) Olive Branch Marketing ("Olive Branch") and (2) Vanguard Business Consultants ("Vanguard").¹ Olive Branch was at all times managed by William Sinclair and Michael Finocchiaro, with Sinclair primarily responsible for operations including leads, payroll, and merchant accounts, and

¹ Diagrams showing the relative structure of the sales floors at given points in time are attached hereto as Exhibit A.

Finocchiaro primarily responsible for handling chargebacks and customer complaints.² Vanguard was at all times owned by Joseph McGowan, who operated the company with Jack Kavner and Daniel Quirk. Until late 2015, Arash Ketabchi (“Arash”) was the Sales Manager at Olive Branch, and supervised the sales floor, which included Christopher Wilson, Andrew Owimrin, Peter DiQuarto, and other sales representatives.³ By mid-2015, DiQuarto and Wilson⁴ left Olive Branch to work as sales representatives for Vanguard.

By the end of 2015, Olive Branch no longer sold BizOpp, and began selling debt consolidation services to previous BizOpp Victims. At around the same time, Arash left Olive Branch and started his own sales floor, A1 Business Consultants, where he employed Owimrin as a sales representative and Shahram Ketabchi (“Shahram”) to handle chargebacks. It was during this time that Arash and Owimrin committed some of the most egregious conduct in the Telemarketing Scheme, including the victimization of Jane Thompson.

In around mid-2016, Owimrin left A1 and returned to Olive Branch, and both DiQuarto and Wilson left Vanguard (which was by then also going by the name “Carlyle Management”).⁵ DiQuarto and Arash became partners in operating a new BizOpp floor that was at different times called A1 Business Consultants, Elenchus Consulting, and Harbinger Capital.

Upon leaving Vanguard, Christopher Wilson started his own sales floor called CTO Consulting, where he employed several sales representatives, including Thomas O’Reilly. In addition to selling BizOpp services, Wilson also sold Grants and at times operated what is known in the industry as a “chargeback floor.” In essence, Wilson and his employees called previous BizOpp Victims, told the Victims that they had been scammed, encouraged them to initiate chargebacks for old charges, and then got the Victims to authorize new credit card payments to Wilson’s floor.

On March 21, 2017, Sinclair, Arash, McGowan, Owimrin, and Finocchiaro were arrested and Shahram’s apartment searched.⁶ On the same date, upon learning of the arrests of the other defendants, Wilson directed his employees, including O’Reilly, to destroy documents and

² Raymond Quiles’ company provided so-called “fulfillment” services to Victims by giving them, among other things, business plans and corporate credit pamphlets, and by providing phone coaching sessions.

³ Arash also supervised Anthony Medeiros, who brought the Youngevity program to Olive Branch. Medeiros was charged in *United States v. Medeiros*, S1 17 Cr. 704 (NSR) and pleaded guilty to conspiracy to distribute oxycodone and conspiracy to commit wire fraud, the latter of which arose out of his participation in the telemarketing scheme with the defendants now before this Court for sentencing. Judge Roman sentenced Medeiros to 66 months’ imprisonment.

⁴ Wilson’s departure from Olive Branch coincided with his theft of over \$100,000 in Victim funds from Sinclair and Finocchiaro.

⁵ At all times, Brooke Marcus worked at BizOpp sales floors based in Phoenix, Arizona that provided leads to the Telemarketing Companies; first Olive Branch, and later A1.

⁶ Shahram was indicted and arrested in April 2017.

electronic evidence relating to the Telemarketing Scheme. Quirk, Kavner and Wilson were indicted and arrested in October 2017.

2. The Defendants' Relative Culpability

In assessing the relative culpability of each defendant, the defendants fall into the following tiers:

Tier 1

Arash Ketabchi
Christopher Wilson

Tier 2

Joseph McGowan
William Sinclair
Peter DiQuarto
Michael Finocchiaro

Tier 3

Jack Kavner
Daniel Quirk
Anthony Medeiros
Brooke Marcus
Andrew Owimrin

Tier 4

Shahram Ketabchi
Raymond Quiles
Thomas O'Reilly⁷

Tier 1 includes those defendants who both (1) acted as owners or operators of one the Telemarketing Companies, and (2) engaged in some particularly egregious conduct in connection with the Victims of the Telemarketing Scheme and the operation of the scheme overall. In other words, the defendants in Tier 1 are, in the Government's view, the very most culpable defendants facing sentencing in this case.

Tier 2 includes those defendants who owned or managed one or more of the Telemarketing Companies, but did not engage in the most egregious conduct of Arash and Wilson.

Tier 3 includes those defendants who worked for the Telemarketing Companies, but were not themselves owners, and instead worked as salespersons or were responsible for communicating with the Victims.

⁷ This Court previously sentenced O'Reilly to 366 days' imprisonment following his guilty plea for obstruction of justice in connection with his destruction of documents at the direction of Christopher Wilson. O'Reilly is the least culpable charged defendant in this case.

Tier 4 includes the defendants with the least culpability as compared to others charged, and either had role in the scheme that was limited in time (Shahram Ketabchi), limited in scope (Thomas O'Reilly), or were separated from the sales floors in such a way that the Government views them as less culpable (Raymond Quiles).

Respectfully submitted,

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Cc: All Counsel (by ECF)